

COUNTY OF LOS ANGELES

MARVIN J. SOUTHARD, D.S.W.
Director

ROBIN KAY, Ph.D.
Chief Deputy Director

RODERICK SHANER, M.D.
Medical Director



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DEPARTMENT OF MENTAL HEALTH

<http://dmh.lacounty.gov>

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

Reply To: (213) 738-4601
Fax: (213) 386-1297

June 07, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST APPROVAL TO EXTEND THE UNILAB CORPORATION
CLINICAL LABORATORY SERVICES AGREEMENT
FISCAL YEAR 2011-12
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to extend the existing Clinical Laboratory Services Agreement with Unilab Corporation to continue the provision of clinical laboratory services without interruption on a month-to-month basis for a period of up to six months in Fiscal Year 2011-12.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Director of Mental Health, or his designee, to prepare, sign, and execute an Amendment, substantially similar to the attached format, to the existing Clinical Laboratory Services Agreement with Unilab Corporation doing business as Quest Diagnostics (Quest), to continue the provision of clinical laboratory services without interruption on a month-to-month basis, not to exceed six months, beginning July 1, 2011 through December 31, 2011.
2. Delegate authority to the Director of Mental Health, or his designee, to prepare, sign, and execute future amendments and further amend this Clinical Laboratory Services Agreement as necessary, provided that: 1) any increases will be used for additional services or to reflect program and/or Board policy changes; 2) your Board has appropriated sufficient funds for all changes; 3) approval of County Counsel, or designee, is obtained prior to any such amendments; 4) the Director will notify your Board and the Chief Executive Officer (CEO) of agreement changes in writing within 30 days after execution of each amendment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Board approval is required to extend the term of the existing Agreement with Quest on a month-to-month basis, not to exceed six months, to avoid interruption in services.

DMH concluded a Request for Proposal (RFP) solicitation bid process for clinical laboratory services for a five-year contract term. The RFP was necessitated because of the June 30, 2011, expiration date of the existing Agreement with Quest.

Implementation of Strategic Plan Goals

The recommended actions support the County's Strategic Plan Goal 4, Health and Mental Health.

FISCAL IMPACT/FINANCING

Funding for clinical laboratory services is included in the FY 2011-12 Recommended Budget in the estimated amount of \$402,960 and is fully funded by Sales Tax Realignment and Mental Health Services Act (MHSA) revenues.

There is no net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On June 13, 2006, your Board approved a five-year Clinical Laboratory Services Agreement with Quest, which included an initial term and four one-year renewal periods through June 30, 2011. The contract award was the outcome of the laboratory services Request For Information that was issued on October 14, 2005.

The attached Amendment has been approved as to form by County Counsel. The proposed actions have been reviewed by the CEO and the Office of the Medical Director. DMH administrative staff will review and monitor the Contractor's adherence to the Agreement and ensure that Agreement provisions and departmental policies are being followed.

CONTRACTING PROCESS

Before the Agreement was due to expire on June 30, 2011, DMH re-solicited for proposals for qualified clinical laboratory services on December 3, 2010. The Department solicited the interest level of potential contractors by advertising in major local newspapers and mailing out the RFP to clinical laboratory service providers on DMH's Bidder's List.

On January 4, 2011, DMH held a Mandatory Proposers' Conference that was attended by five

agencies. DMH received two proposals on or before the final submission date of February 3, 2011. One was received from Primex and the other was from Quest.

The Evaluation Committee, comprised of five evaluators and a facilitator, convened on March 7, 2011, to March 10, 2011, to evaluate and score the program components of the proposals via an Informed Averaging rating. The Department's Executive Management Team reviewed the Evaluation Committee's results and presented it to the Director of Mental Health for approval. It was determined that Primex can best meet the needs of the Department. Quest has requested a formal RFP debriefing and appeal process.

Approval of this Board letter to amend the existing contractor's term to a month-to-month basis, not to exceed six months, is necessary to prevent interruption of clinical laboratory services pending the completion of the RFP appeals process.

DMH will return to your Board to request authorization to award and execute the forthcoming Agreement with the prospective laboratory services contractor, pending the outcome of the RFP debriefing, appeals process, and successful contract negotiations with the qualified proposer.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Upon Board approval, there will be no interruption in clinical laboratory services as services will continue to be provided at mental health clinics and clinical laboratory service sites throughout the County.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Mg Southard", written in a cursive style.

MARVIN J. SOUTHARD, D.S.W.
Director of Mental Health

MJS:RS:WC:RK:coh

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Chairperson, Mental Health Commission

AMENDMENT NO. 5

THIS AMENDMENT is made and entered into this ____ day of _____, 2011, by and between the COUNTY OF LOS ANGELES (hereafter "County") and Unilab Corporation dba Quest Diagnostics (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement, dated June 13, 2006, identified as County Agreement No. MH110001, and any subsequent amendments (hereafter collectively "Agreement"); and

WHEREAS, County and Contractor intend to amend Agreement only as described hereunder; and

WHEREAS, County and Contractor intend to amend Agreement to extend clinical laboratory services on a month-to-month basis for the first six months of Fiscal Year (FY) 2011-12, beginning July 1, 2011 through December 31, 2011, to allow contract negotiations to be finalized for the Clinical Laboratory Services solicitation process; and

NOW, THEREFORE, County and Contractor agree that Agreement shall be amended only as follows:

1. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by County's Director of Mental Health or his designee, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
MARVIN J. SOUTHARD, D.S.W.
Director of Mental Health

Unilab Corporation dba Quest Diagnostics
CONTRACTOR

By _____

Name Robert F. Moverley

Title Managing Director
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT
ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By _____
Chief, Contracts Development
and Administration Division

Clinical Laboratory Services – Unilab 2011-12 –mo-to-mo extension